

***PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops, Workshop minutes are not approved by the City Council.**

**MINUTES
CITY OF GLENDALE
CITY COUNCIL WORKSHOP
JANUARY 17, 2006
1:30 P.M.**

PRESENT: Mayor Elaine M. Scruggs, Vice Mayor Thomas R. Eggleston, and Councilmembers Joyce V. Clark, Steven E. Frate, David M. Goulet, H. Phillip Lieberman, and Manuel D. Martinez

ALSO PRESENT: Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk

Mayor Scruggs introduced the Mayor's Youth Advisory Commission students attending the meeting.

1. COUNCIL STRATEGIC GOALS AND KEY OBJECTIVES

CITY STAFF PRESENTING THIS ITEM: Dr. Carol Nalbandian, Nalbandian Consulting

This is a request for the City Council to review the report from the Council Goal Setting and Strategic Planning Retreat held on November 10, 2005.

The Council Goal Setting and Strategic Planning Retreat goals were to:

- develop a broad common vision for the future of Glendale;
- set goals and objectives to provide staff direction and focus for the near future; and
- enhance the partnership between the Governing Body and the Management Team.

The Council conducted a broad-based and future-oriented discussion that provided the general direction and foundation for setting strategic goals and priorities. Several common themes emerged that were developed into Strategic Goals with key objectives to accomplish these goals.

Once the Council's Strategic Goals and Key Objectives have been adopted, the Marketing/Communications Department will inform residents and community stakeholders, as well as city employees, of these new priorities through various communications tools. These include: news releases, The Connection (monthly citizen newsletter), articles in local newspapers, City Web Site, Glendale 11, The Relay (employee newsletter), Councilmember's District Newsletters and other city newsletters.

A direct benefit of the Council's goal setting is to provide the community with clarity as to the city government's direction for the next 12 to 18 months.

The six strategic goals re-emphasize Council's long-standing commitment to provide the highest quality of services in the most fiscally prudent manner for Glendale's neighborhoods, businesses, and Luke Air Force Base.

Staff requested that the Council review the strategic goals and key objectives and provide direction for formal adoption of these goals and key objectives at the next business meeting of the Council.

Dr. Nalbandian reviewed the process the Council went through to identify and prioritize its goals for the year. She said they started by describing their dreams and hopes for the City of Glendale's future, noting they were very broad, ambitious and focused on bringing the community together. She stated Council members were also asked to identify their biggest fears, explaining the dreams and fears together act as the basis for what needs to be accomplished. She said they then placed the dreams and fears into six common themes which ultimately became the Council's six strategic goals. She expressed her opinion the Council came up with a simple yet elegant phrase, "One Community", stating it came to represent the sense of cohesiveness, fairness and diversity they want to see in the City of Glendale. She pointed out the goals do not relate solely to certain areas of the city, but to the city as a whole. She said Council members then identified objectives or actions they would like taken within the next 12 to 18 months and to prioritize those objectives into key objectives.

Dr. Nalbandian said the six goals identified by the Council were to maintain one community with strong neighborhoods, strong economic development, a vibrant city center, an active partnership with Luke Air Force Base, and high quality services for its citizens, and to ensure the community is fiscally sound. She stated at least one primary objective was identified for each of the goals. She said, while most of the goals are common among other cities as well, the city's goal to maintain an active partnership with Luke Air Force Base is unique to Glendale. She explained the primary objectives under that goal are focused on ensuring the rest of the state and the nation understand the importance of Luke's mission. She said strong priority was also placed on strong neighborhoods and a vibrant city center. She stated the Council was very thorough and detailed in its discussion, respectful of differing opinions and focused on reaching consensus.

Councilmember Lieberman said he feels very remote from Luke, noting he has never met the Deputy Base Commander despite his requests for a dinner meeting. He stated he recently met with Rusty Mitchell and his aid in an attempt to learn more about Luke, where he again suggested they hold one-on-one meetings with the Commander, Deputy Commander, and Division Commanders of Luke. He said he has also made the same suggestion to the City Manager and Deputy City Manager. He noted they did not get the F-22 program and the F-35 program has not yet been funded by Congress. He said he is terribly concerned about Luke's future, pointing out another BRAC will take place in 2009.

Councilmember Martinez expressed his opinion the goal setting session facilitated by Dr. Nalbandian was very productive, suggesting future Councils arrange to hold such sessions annually. With regard to Luke Air Force Base, he said while he has never met General Rand either, he and other key staff members from Luke discussed their

mission at the meeting that was held at the Garvin School of International Management. He pointed out the city's Intergovernmental Relations staff also works closely with Luke personnel to stress the importance of Luke's mission to the nation. He referred to a comment in Dr. Nalbandian's report which said, while the Council has a history of tension and conflicts, they share and are committed to a common vision for the future of Glendale. He said the comment reinforces comments he has made in the past that, despite disagreements, the Council pulls together when it comes to doing what is best for the City of Glendale.

Councilmember Goulet thanked Dr. Nalbandian for facilitating the meeting in November. He asked Dr. Nalbandian to speak to the primary objectives related to economic development, asking if the objectives should be more specific in terms of actions to be taken over the next 12 to 18 months. Dr. Nalbandian said the strategic goals should be broad because they should provide direction for several years to come. She stated, however, the primary objectives represent the specific direction for the near future. She explained the objectives help staff understand Council's intention and provides them with direction for carrying out those goals.

Mayor Scruggs said Council spent a substantial amount of time trying to reach agreement on the definition of consensus. She asked Dr. Nalbandian to clarify the meaning of the word, "consensus". Dr. Nalbandian explained consensus means everyone can support the decision and that no one person actively opposes the decision. She noted consensus is actually a higher and harder level of acceptance to achieve than majority vote. Mayor Scruggs commented most people interpret consensus to mean a majority of members support the decision.

Vice Mayor Eggleston agreed the Council reached consensus on the goals; stating, however, disagreements can be expected as they move further into the detailed objectives. He asked Dr. Nalbandian to explain the objective that calls for the relocation of some businesses and underperforming properties in the city center. Dr. Nalbandian explained the emphasis was to provide certain businesses and property owners incentives to relocate to encourage a more retail/tourism type of environment in the city center area. She clarified there was no intention expressed by the Council to actively push businesses out of the downtown area.

Mayor Scruggs said it is important that the media understand the city has not targeted certain underperforming locations, but will be open to a discussion about incentives on a case-by-case basis.

Councilmember Clark said she publicly admits to supporting the goals, expressing her opinion the goals are worthy and strong and set out a vision for the city both now and in the future. She stated, however, she needs to see the options presented to achieve those goals.

Mayor Scruggs noted many more ideas were offered in terms of objectives, stating those selected represented those that had majority support of the Council members.

Dr. Nalbandian said Council should expect from staff plans that address the key objectives, pointing out Council may find they do have agreement with regard to the plans offered by staff because they provided staff with good direction from the beginning.

Council Member Frate said the retreat helped bring issues that the Council never before considered to light. He stated every member of the Council recognizes Luke's importance to Glendale, the west valley, the state and the nation. He stated the people he has spoken with at Luke appreciate Glendale's willingness to step forward and partner with them to preserve their mission. He stressed the importance of ensuring future Council's continue to work with Luke.

Councilmember Lieberman noted the city has purchased buildings in the downtown area and the Council has discussed establishing a fund to purchase vacant properties and buildings. He asked if reaching consensus is a form of voting. Dr. Nalbandian said there are numerous methods to reach agreement, stating the important thing is that an agreement is reached.

Dr. Nalbandian urged the Council to continue its efforts beyond formal adoption of the goals, reviewing the goals and objectives every year to ensure they continue to have consensus and obtaining progress reports from staff on the progress being made toward accomplishing the key objectives.

Councilmember Clark clarified the goals adopted by this Council may or may not be accepted by future Councils. Dr. Nalbandian agreed; stating, however, it will be difficult for future Councils to disagree with the goals since so much thought went into the process of identifying them. She stated anyone new to the Council should provide good rationale if they believe the goals or objectives should be changed since the citizenry will also have bought into those goals and objectives.

Mr. Tindall noted the workshop session held for the development of the strategic vision was a public meeting. He stated the next step in the process will be to place the goals on a regular Council agenda and vote on them in the form of a resolution.

Mayor Scruggs explained the goals should be adopted by resolution because the objectives by which they meet those goals will represent a tremendous use of resources. She stated to have someone new come in and decide to change the goals or objectives would be a waste of the citizens' resources. She asked Mr. Tindall to explain the process for amending the resolution should future Councils agree changes should be made. Mr. Tindall said a future Council would bring forward a subsequent resolution amending the original resolution.

Councilmember Clark asked if the goals are being accepted in perpetuity and, if so, are they binding future Councils. Mayor Scruggs clarified Council can review the goals at any time and bring forward a new resolution if it agrees changes are necessary. Councilmember Clark said she would prefer to see a time limitation placed on the goals ensuring they are reviewed and amended or renewed.

Councilmember Martinez asked Mr. Tindall if city resolutions are subject to an expiration date. Mr. Tindall said he has never seen an expiration date in any resolution or ordinance passed by the City Council. Councilmember Martinez expressed his opinion they do not need to set forth a specific date since every resolution is amendable by subsequent resolution.

Vice Mayor Eggleston agreed with Councilmember Martinez, stating they cannot require future Councils to review the goals. He said he thought the Council reached consensus on the goals and, if that is not the case, they should discuss that before the resolution is adopted.

Councilmember Goulet said the goals are broad in nature and intended to be long-term goals; expressing his opinion it would be self-defeating to have the goals expire after a specific number of years.

Mayor Scruggs suggested if the Council so wishes they could give direction to the City Manager to plan for another Council retreat of the same nature next November where the goals can be revisited to ensure they still have consensus. Dr. Nalbandian recommended the resolution be adopted with the expressed intention of reviewing the goals every one to two years. Mr. Tindall said they could state at the end of the resolution that Council resolves it will meet annually to review the goals.

Councilmember Clark said that would meet with her approval. She resented the implication that bringing the issue up implies she does not support the goals. She said it often happens that if she disagrees on a particular component of an issue it is taken as that she does not support the issue as a whole. She clarified her comment was in no way intended as a denial of the consensus achieved.

Mayor Scruggs summarized the matter, stating she heard consensus for the goals and objectives as they were developed at the November retreat and support for bringing them forward in the form of a resolution that sets forth Council's intention to review the goals and objectives every one to two years.

Councilmember Lieberman said he cannot support the resolution without a sunset clause, but he supports the suggestion to review the goals every one to two years.

Mayor Scruggs said the Council does not build sunset clauses into its resolutions. She asked if the Council still has consensus on the objectives and goals if Councilmember Lieberman votes no on the resolution. Dr. Nalbandian explained the resolution is up for a formal vote; therefore, consensus is not required. Mr. Tindall confirmed the resolution would be valid from a legal standpoint if it went forward with a majority vote of the Council.

Dr. Nalbandian clarified consensus on the broader goals is important, but adoption of those goals requires a formal vote. She said a member voting against the resolution would not negate the consensus reached concerning the Goals themselves. Mayor Scruggs expressed concern it would provide the opportunity for someone to deny having supported the goals by citing their vote against the resolution. She asked Mr. Tindall if the resolution could be written to indicate consensus on all goals and objectives and that a vote against the resolution should not be interpreted as a disagreement with those goals and objectives.

Councilmember Lieberman called a point of order, stating he does not support the resolution because he does not believe one is called for.

Mr. Tindall said the minutes of the meeting will reflect the points of discussion that took place before the vote. He said the comments of a Councilmember who votes against a resolution, not because of the substantive content of the resolution but because it lacks a procedural aspect, would be reflected in the minutes. He pointed out the primary objectives are set to be initiated in 2006-2007.

Councilmember Clark said everyone can support the vision statement, but situations could arise that call for the acceleration of one objective at the expense of another objective. She said she may or may not support such actions; therefore, she cannot give blanket support for the objectives until staff brings forward details for their implementation.

Mayor Scruggs recommended they set the resolution aside. She stated Council had consensus on both the goals and objectives when they left the retreat in November, noting the objectives selected were chosen from among a vast array of other objectives. She said it may be better at this point to simply stay with consensus. She noted some changes she feels should be made to the wording of some of the objectives, for instance under the goal for a vibrant city center the city cannot fulfill the Capital Improvement Plan's timing for the police department headquarters in 2006/07. Dr. Nalbandian clarified the steps that will be taken to achieve the primary objectives have not been identified.

Councilmember Martinez asked Councilmember Lieberman if he can support the proposed resolution with the inclusion of an annual or bi-annual review of the goals and objectives. Councilmember Lieberman responded yes.

Councilmember Clark said she made it quite clear at the retreat that, while she could support the vision and goals, she felt the "devil would be in the details". She said they must know how the objectives will be achieved and at what cost to other projects those objectives might come.

Mr. Tindall stated the resolution from a legal standpoint has no binding effect on future budget discussions or votes in terms of how the objectives are accomplished.

Mayor Scruggs said no one seems to have any problems with the six goals, but there does seem to be concern about the objectives which are included in the resolution.

Councilmember Martinez said decisions concerning specific objectives will be done under separate vote.

Councilmember Clark expressed concern that her approval of the resolution will be used to negate any concerns or objections she raises in the future concerning specific objectives.

Councilmember Martinez disagreed, stating he may feel differently about an objective once a plan to accomplish the objective comes to Council for consideration. He said, however, if the majority of other Council members still feel the objective is appropriate, they can pass the item.

Councilmember Goulet said they have to take a leap of faith that future projects will fall under one of the goals and if a project is deemed inappropriate Council members will have the opportunity to vote no on the project when it comes before Council. He stated they cannot approve a resolution that guarantees whatever comes forward will be good for the city. He characterized the goals and objectives as a roadmap for the city.

Councilmember Clark said, while she understands Councilmember Goulet's point, money that was earmarked in last year's budget for the Western Area Park became earmarked for the Public Safety Training Facility. She stated there may be other occasions where they will take money that is earmarked for another project. She said she cannot blindly support the objectives without assurances that funds for immanent

CIP projects are not raided. She pointed out accomplishing the objectives will involve spending a great deal of money, stating there are a limited number of areas within the budget from where those funds can come.

Mayor Scruggs said she fully expects to see a budget that establishes a fund to purchase vacant properties and buildings in the downtown area, that earmarks funds for a badly needed parking structure, and that keeps the Capital Improvement Plan timing for the Police Department headquarters and courthouse. She stated she will determine when the budget comes forward if achieving these objectives justifies any consequences to other projects that may occur as a result.

Councilmember Martinez said the situation mentioned by Councilmember Clark could occur regardless of whether or not the resolution is adopted.

Councilmember Clark said the broad vision statements are acceptable, but, without more details, she cannot approve the objectives.

Councilmember Frate said he voted in favor of redirecting funds to the EOC because he felt doing so was in the best interest of the whole city. He stated, although they each represent their individual districts, they have to look at what is best for the city as a whole.

Vice Mayor Eggleston said they all put aside their parochial desires to reach consensus on the goals for the city. He expressed his opinion the goals are even-handed and he sees no reason not to proceed.

Mr. Beasley said Council can support the objectives without agreeing on the methodologies brought forward by staff, explaining that is what drives the debate, prioritization, budget and business decisions.

Mayor Scruggs asked the Councilmembers to indicate whether they would like to leave the goals and objectives as presented or adopt them by resolution.

Councilmember Goulet said he would like to move forward with the resolution, expressing his opinion to do otherwise would defeat what they accomplished at the retreat.

Councilmembers Martinez, Eggleston and Frate agreed.

Mayor Scruggs directed Mr. Tindall to write a resolution that reflects the goals and objectives as well as the Council's intentions.

Mr. Tindall suggested they reword the third objective under the goal for a vibrant city center, stating the city will not actually relocate properties. He suggested it read, "Provide incentives to encourage properties to be placed in the highest and best use."

Councilmember Frate suggested the objective state the city is seeking to provide incentives for relocation when opportunities to do so arise.

Mayor Scruggs stated the majority of the Council agrees to go forward with the resolution.

2. 2006 FEDERAL LEGISLATIVE AGENDA AND STATE LEGISLATIVE UPDATE

CITY STAFF PRESENTING THIS ITEM: Ms. Dana Tranberg, Intergovernmental Programs Director and Kristin Skabo Green, Deputy Director Intergovernmental Programs

This is a request for the City Council to review and provide direction on the 2006 federal legislative agenda, and to provide direction on proposed state legislation, consistent with the approved 2006 state legislative agenda.

The purpose of the federal and state legislative agendas is to affect federal and state legislation and regulations as they relate to the interests of the city and its residents.

The 2006 federal and state legislative agendas provide the policy framework by which Intergovernmental Programs staff engages on federal and state legislative issues.

Throughout the 2006 state legislative session, policy direction will be sought on proposed statutory changes which fall under the adopted council policy statements relating to the financial stability of the city, public safety issues, promoting economic development, managing growth and preserving neighborhoods.

The Intergovernmental Programs staff recommends prioritizing the federal and state legislative agendas to a few key issues to allow the city to have a stronger, more consistent message on the items of greatest priority. The proposed key priority issues for consideration are described in the reports that were submitted to the Council at the meeting.

In addition to statutory changes, the 2006 federal legislative agenda may include grant opportunities, line-item appropriations and regulation revisions. The federal agenda addresses the Council goal of developing a sustainable plan and strategy that seeks to coordinate all Glendale federal needs, as well as develop a consistent presence with the Arizona delegation, other key members of Congress, the Executive Branch and its agencies.

On December 20, 2005, the Council approved the 2006 State Legislative Agenda, which included policy statements on municipal legislative priorities and principles.

On December 20, 2005, a wrap-up presentation provided the Council with the opportunity to review the results and accomplishments of the first year of the federal program.

On February 5, 2005, the Council approved the Glendale coordinated federal program, which includes development of a yearly federal legislative agenda.

Development of a 2006 federal legislative agenda provides the venue for the city to identify and engage on federal issues of concern to the community, which will enhance the ability of the city to deliver superior services and to address quality of life issues for the residents of Glendale.

The priorities and principles of Glendale's 2006 state legislative agenda provide the venue for the city to identify and engage on state legislative issues. The key principles of the state legislative agenda are: to preserve and enhance the city's ability to deliver quality and cost-effective services to citizens and visitors; to address quality of life issues for Glendale residents; and to enhance the City Council's ability to serve the community by retaining local decision-making authority and maintain state legislative and voter commitments for revenue sources.

Staff requested that the Council provide policy direction on the proposed City of Glendale 2006 federal legislative agenda and on the proposed state legislative issues.

Federal Legislative Agenda

Ms. Skabo said three issues, local government franchise authority, telecommunications tax reform, and eminent domain for economic development, are being simultaneously debated at the federal and state level; therefore, they are watching those issues closely to see if what is being discussed at the state level is being preempted at the federal level.

Councilmember Lieberman asked about previous legislation that dealt with the idea of taxing emails. Ms. Skabo said Senator McCain has been spearheading the telecommunications act renewal, but she has not seen any mention of an email tax in any versions of the act.

Ms. Skabo said cities around the country, including Glendale, are opposed to limiting eminent domain for economic development.

Councilmember Lieberman noted Judge Aleto chose not to give a direct answer when questioned about the Supreme Court's action with regard to eminent domain in New Hampshire. He said there was much discussion about whether or not the Supreme Court makes law or merely verifies laws are constitutional, noting it was determined the Supreme Court does make law in cases such as this.

Ms. Skabo continued her presentation, stating they support legislation that enables the city to plan and execute environmentally safe and appropriate programs and projects, including water and wastewater projects in particular.

Ms. Skabo stated Community Development and Affordable Housing was a hot topic at the federal level last year and, though cities and towns were successful in keeping CDBG funding, funding was at a lower level than last year. She said a lot of discussions about increasing CDBG funding took place in the wake of Hurricanes Katrina and Rita, but, unfortunately, Congress did not make the decision to increase the program. She stated administration is expected to reintroduce its "Strengthening America's Communities" initiatives which will continue to change how CDBG is funded. She stated preserving CDBG for cities and towns will be left on their agenda.

With regard to Luke Air Force Base, Ms. Skabo said they will support any efforts and initiatives aimed at preserving the mission and viability of the base. She stated they will work in partnership with Luke during the upcoming year.

Ms. Skabo said under Homeland Security and Public Safety, which was also on last year's agenda, they support any legislation appropriations that help local first responders protect citizens. She said under this item Glendale will seek two appropriations they were successful in attaining last year, funding for the Regional Public Safety Training Facility and the Metropolitan Medical Response System program.

Councilmember Frate said it is amazing the administration wants to continue the Strengthening America's Communities program, stating it will further reduce CDBG funding. He said he definitely opposes the program.

State Legislative Agenda

Ms. Tranberg said the legislative session convened on January 9 and the Governor gave her State of the State address focusing on three priorities, keeping Arizona safe, strong and prosperous. She reported, as of Friday, 820 bills had been introduced and, as of this morning, 861 bills and 62 memorials have been introduced. She stated more than 2,000 bill files are open at Legislative Council, making for a very full and active legislative session.

Councilmember Frate asked why so many bills have been introduced. Ms. Skabo said many factors come into play; such as the upcoming election year, the federal court case concerning eminent domain, and illegal immigration. She said there is much speculation as to whether or not the rate at which bills are introduced will now begin to slow. She noted, usually, 1,100 to 1,300 bills are introduced over the course of a session.

Vice Mayor Eggleston asked if any of the bills are those that were not accepted in previous years. Ms. Tranberg said several have been introduced in past years, but a lot of new issues have also been identified.

Ms. Tranberg said today's discussion is limited to bills that have already gone through the committee process or are scheduled for hearings today. She explained the Joint Legislative Budget Committee briefed the Joint Appropriations Committee last week so there is an anticipated \$850 million budget surplus. She said, of that amount, \$368 million is determined to be ongoing revenues. She stated the Governor unveiled her budget proposal this morning which calls for \$100 million for border security, \$100 million for all-day voluntary Kindergarten statewide, a 7.5 percent pay raise for state employees, and \$35 million in small business tax relief to small businesses that provide healthcare benefits to their employees. She stated the three-day sales tax holiday mentioned in her State of the State Address would provide sales tax exemptions on school supplies, clothing and computers for three days. She said, however, in her briefing to cities this morning, there is a hold harmless provision for city sales tax. She explained the Governor's proposal also includes a tiering of the Vehicle License Tax, reducing the tax on fuel-efficient vehicles. She noted the Governor's staff indicated this would also include a hold harmless provision for cities and counties. She stated the budget also calls for a \$40 million repayment to the Highway User Revenue Fund for past raids.

Councilmember Martinez asked for further details on the three-day sales tax holiday. Ms. Tranberg explained, though the consumer would not pay sales tax on limited products, cities would get their sales tax collection from those sales through the State General Fund.

Mayor Scruggs said, while the idea is noble, it is unreasonable to expect a store to program its computers to recognize the items on which sales tax is not charged for three days.

Councilmember Frate asked if anything was mentioned about returning money to the rainy-day fund. Ms. Tranberg said the issue was not discussed during this morning's briefing but she can update the Council once she has completed her review of the Governor's budget.

Councilmember Goulet asked if the Vehicle License Tax proposal is based on the weight of vehicles rather than alleged mileage. Ms. Tranberg said the proposal is based on the fuel efficiency of a vehicle.

Ms. Tranberg reported HTR2001, the Municipal Debt Capacity bill, which changes the debt capacity for public safety and transportation from the six to 20 percent categories, passed out of the Counties and Municipalities Committee last week and is being heard in the House Government Reform Committee.

Ms. Tranberg stated the eminent domain issue is being discussed at both the federal and state levels. She explained the Supreme Court ruled in *Kilo versus City of New London Connecticut* in June that the city's use of eminent domain for redevelopment was appropriate. She said, as a result, numerous bills around the country and in the Arizona State Legislature have been introduced restricting the use of eminent domain. She said five bills concerning eminent domain were introduced as of the time Council's packets were created; however, since that time, the number of bills introduced has increased to 13. She explained Arizona law is currently far more restrictive than Connecticut law in the use of eminent domain, noting legislative changes were made three years ago that required four super-majority votes of a Council to use eminent domain. She stated two recent court rulings in Tempe and Mesa limited the use of eminent domain, particularly for redevelopment purposes. She said Glendale has a policy of very limited use of eminent domain; however, the bills as introduced could impact what Glendale does in that they are not solely limited to redevelopment. She stated the bills will drive up the cost of municipal projects and could preclude the use of condemnation, even friendly condemnation which is sometimes requested by property owners because of tax benefits afforded to the property owner. She said some of the bills would also require final design to be shown to the property owner before a condemnation action could be utilized which would prevent the city from using Design Build or CM-At-Risk processes. She said, given the language contained in the bills, staff recommends the Council direct staff to oppose legislative efforts that further restrict the use of eminent domain.

Ms. Tranberg said six bills dealing with county island fire districts have been introduced and a meeting with the sponsor of the bills and the Chairman of the Committee was held yesterday where they decided not to hear any of the bills. She stated the most comprehensive bill was discussed in particular, explaining it would allow the formation of a fire district, require the city to provide fire service, and tries to set forth a mechanism for cities to recover the costs. She said staff recommends Glendale continue to engage in any discussions to ensure the bills at least meet Glendale's needs.

Mayor Scruggs brought up a concern that was discussed at last week's West Valley Mayors and Managers Meeting; explaining, while they appreciate the legislature's attempt to compensate cities for the cost of services, the legislature is not aware of how cities staff for fire service. She said cities will be required to hire additional personnel and purchase additional equipment and possibly construct additional stations if they are required to include areas that may be five or ten miles removed from city boundaries. She stated the legislature's view of compensation is on an "as used" basis, leaving the city to bear the ongoing costs involved. She said they would put the lives of all citizens at risk if they did not explode staffing levels to guarantee a four-minute response time to everyone.

Councilmember Frate commented on an acquaintance of his who mentioned they were hoping to be annexed into the City of Glendale so they would not have to pay for fire service. He said he pointed out to that person that they would have to address other infrastructure issues that come along with being annexed.

Mayor Scruggs said one Mayor commented the bill would take away the incentive for a developed area to annex.

Ms. Skabo said the points brought up by Council need to be discussed as the bills go forward.

Mayor Scruggs asked if Fire Chiefs or members of the Fire Chiefs Association have been invited to discuss the issue. Ms. Skabo responded yes, noting Glendale's Fire Chief is President of the Arizona Fire Chief's Association.

Mayor Scruggs pointed out HB 2063 prohibits discussions concerning the use of eminent domain for economic development purposes from occurring in Executive Session, stating it appears to run contrary to the open meeting law that says discussions of real estate matters in executive session are legal. Mr. Tindall said he assumes they will modify the Open Meetings Law, but as a more specific statute, HB 2063 would trump the more general Open Meetings Law.

Councilmember Clark said SB 1044, as proposed, states rates have to be just and reasonable, yet it does not define what is considered just and reasonable. She asked why staff does not oppose the legislation. Ms. Tranberg said some of the bills were marked for monitoring because they knew discussions with the bill sponsors were ongoing. She noted SB 1044 has since passed the committee in the same form. She said the Multi-Family Housing Association is a major proponent of the bill. She explained the city's rate structure is intended to encourage water conservation among large water consumers. Councilmember Clark expressed her opinion it would be reasonable for the city to oppose the bill unless and until the language is clarified. Ms. Tranberg agreed.

3. COUNCIL SALARY REVIEW COMISSION RECOMMENDATION

CITY STAFF PRESENTING THIS ITEM: Mr. Leonard Fulcher, Chairman of the Salary Review Commission and Ms. Joy Gomez, Commissioner of the Salary Review Commission

This is a request for the City Council to review the findings and recommendation of the Council Salary Review Commission ("Commission") and provide direction to staff.

The charge of the Commission was to conduct a review of the rates of pay for elected City officials and submit to the City Council a report of the results of that review and a recommendation no later than January 31, 2006.

The City Charter provides that a salary commission may be convened to review Council salaries and recommend any changes to the Council. The Council may reject, modify, or accept the Commission's recommendations and thereafter place any suggested changes to the Council salaries on the ballot of the next City election.

The annual salaries of the Mayor and Councilmembers of the City of Glendale were last reviewed in 1996, which resulted in a recommendation for an increase. This recommendation was accepted by the Council and referred to the voters on May 19, 1998. The current annual salary of the Mayor is \$35,000 and of each Councilmember is \$17,500.

On October 25, 2005, the Council adopted Resolution No. 3899, New Series, that convened a Commission; appointed members; and set forth instructions and charges. The five (5) members of the Commission are:

Leonard Fulcher, Chairman
Albert Cordova, Commissioner
Robert Erdmann, Commissioner
Joy Gomez, Commissioner
Sally Reynolds, Commissioner

The Commission met five times. To assist in its deliberations, the Commission asked staff to supply information and prepare a report containing job evaluation information and salary comparison data.

At its last meeting held on January 3, 2006, the Commission finalized its report and voted unanimously to recommend to the Council that it place a question on the ballot at the next primary election in September of 2006 proposing the following:

1. Set the salary of Mayor to \$65,000; and
2. Set the salary of Councilmembers to \$45,000.

Chairman Leonard Fulcher and Commissioner Gomez will be present at the Council Workshop to present the Commission's report and recommendation.

On October 25, 2005, the Council adopted Resolution No. 3899, New Series, convening the Commission; appointing members; and setting forth instructions and charges.

There are no budget impacts or costs for this current fiscal year. This item will be presented to the voters at the next primary election in 2006. Should the voters approve a salary increase, that increase will be implemented when the newly elected members are sworn in and will be accommodated through the budgeting process.

This item was presented for information purposes only.

Leonard Fulcher, Chairman of the Salary Review Commission, thanked Glendale staff for their assistance. He said they looked at a number of data sources, including historical data, salary review findings from previous reviews, metrics, the Go On Board Transportation Program, the 2025 Next Step General Plan, Council Activity Surveys and a peer city City Council Compensation Survey. He explained they looked at current information as well as information dating back 10 to 15 years and projecting 10 to 15 years into the future. He said they tried to get an understanding of how the city has changed over time and how Mayor and Council Member responsibilities have grown. He said the size, population and budget for the city all showed considerable growth over the past ten years and projections for the next ten years reveal a continuing drive to improve the city. He stated the demands placed on the Mayor and Council Members makes the positions full-time. He said the Commission believes compensation should be such that it encourages civic minded individuals to participate as Council Members and Mayor. He compared the city's compensation rates with those of Phoenix, stating Phoenix experienced a 25 percent increase in the Mayor's salary. He stated the ratio of compensation for Council Members compared to the Mayor's salary used to be 50/50, but that has since changed to 70/30.

Mr. Fulcher stated the Commission has set forth recommended salaries that it feels are fair, both in regards to the demands of the job and to the salaries paid by other cities.

Mayor Scruggs noted for the media that the City of Phoenix salaries in the Commission's data reflect their salaries prior to the last election. She said the City of Phoenix Mayor's current salary is \$88,000 and the Council Members are at \$61,600.

Councilmember Goulet thanked Mr. Fulcher and the Commission members for their hard work. He asked if they discussed obtaining public input on their recommendations. Mr. Fulcher pointed out the Commission's meetings were open to the public. He said, while they would have liked to conduct a public survey, very demanding time constraints made that impossible. Councilmember Goulet asked if they discussed ongoing cost of living adjustments. Mr. Fulcher said other cities have automatic cost of living adjustments; however, authority to make such adjustments is not currently included in Glendale's City Charter. He noted the City of Phoenix reviews their Mayor and Council Member salaries every two years, stating the Commission recommends the City of Glendale conduct such reviews on a more frequent basis. He pointed out the city has experienced 125% growth in its budget over the past ten years, stating compensation growth at the same rate would result in a salary for the Mayor of \$90,000.

Councilmember Lieberman thanked the Commission for all they have done. He commented on how the city has grown and how the cost of the projects considered by the Council have increased over the years. He said if they were officers of a private corporation he would estimate their pay to be between \$350,000 and \$600,000. Mr. Fulcher pointed out many cities are stable and know what they will need and do year to year, stating the leadership needed to guide them is known. He stated, conversely, Glendale is expanding rapidly and its profile changes constantly. Councilmember

Lieberman said it is almost unbelievable the progress they have seen over the decade or more that they have sat on the Council.

Councilmember Frate said he appreciates the Commission's work and that they took the time to learn what it is the Council members do in their positions. He said, while he knew he spent a lot of time on city matters, he did not realize until he counted up the hours that he spent an average of 40 to 60 hours a week. He said he never dreamed when he first joined the Council that they would be dealing with the size, scope and significance of the projects they do. He noted the average size of a district is 36,000 people. He said, while the increase seems large, it seems appropriate when taking into consideration the amount of time they dedicate and the responsibilities they hold. He stated the increased pay may also allow others to afford to run for Council positions.

Councilmember Clark thanked the Commission for their earnestness and dedication. She said she was initially shocked by the Commission's recommendations, but after giving it additional thought and knowing the rates are adjusted only every ten years the proposed rates seem appropriate. She agreed the higher salaries will create an incentive to get more people politically involved. She said the current rate allows only those who are financially secure or who have a spouse that is capable of supporting their family to hold positions on the Council. She said, despite Glendale's rapid growth, it still has a small town atmosphere and the Council is tremendously accessible to the constituencies they represent. She expressed her opinion the recommended salaries are justified.

Vice Mayor Eggleston thanked the Commission for the time they dedicated to the issue, particularly given that some of their meetings were held during the holiday season. He pointed out he does not know any of the members on the Commission personally, stating they strove to select members who would be impartial and fair. He asked if they calculated what the salaries would have been if they had received cost of living raises each year for the past ten years. Mr. Fulcher said they ran the Mayor's salary through a model that included a three percent cost of living increase for eight years and found the salary would total \$45,000 today. Vice Mayor Eggleston asked if part of their justification for the large increase in the Council Members' salaries is that the job is not what it was 10 years ago. Mr. Fulcher responded yes, stating they recognized that today's Council position is a full-time job. He said they also felt the salary should help encourage participation by allowing people to make a living while doing the job. Vice Mayor Eggleston asked Mr. Fulcher about his previous experience in dealing with such issues. Mr. Fulcher said, while he has not conducted any kind of salary surveys in the past, his previous job before retiring involved doing a lot of analysis. Ms. Gomez explained she has an accounting background and, despite her experience with such matters, she was shocked and embarrassed by the compensation levels for the city's elected officials. She thanked the Council members for their service and vision for the city, despite the inadequate compensation levels. She expressed her opinion the recommended salary levels are still not where they should be given all they ask the Council members to do.

Councilmember Martinez thanked the Council for the work they did. He acknowledged Council members dedicate a great amount of time in their positions. He said he would have preferred it if the city's Charter had been changed at some point during the past ten years to allow the increase to be more gradual, expressing his opinion the citizens will be shocked by the proposed increases. Councilmember Martinez expressed his opinion the recommended rates have merit, but that the increase is too large to implement all at once. He suggested they increase the Mayor's salary to \$49,900 and Council member salaries to \$29,900, but that they change the Charter to allow for

yearly cost of living increases.

Mayor Scruggs commented their positions make them easy targets, but the truth of the matter is that their jobs are 24 hour, seven day a week positions. She noted she was approached while shopping on Christmas Eve about the timing of the signals on 59th Avenue. She said that instance was not isolated and goes to show that their job truly never ends. She pointed out families of those who sit on the Council are also greatly affected by the positions they hold. She stated serving on the Council is one of the greatest privileges a person can have, but she is concerned about who will be willing to do the jobs if they are unable to earn a livable wage. She said the electorate elected them to make decisions and those decisions can only be made after an unbelievable amount of study. She said she cannot remember the last time she had a weekend to herself where she did not spend her time studying. She stated at the current pay scale, elected officials often have to abdicate their responsibilities to staff. She pointed out no full time employee in the city makes less than the Council members make annually. She said, despite her comments, she does not believe the public will vote to approve the recommended increases. She stated, while she appreciates the value the Commission placed on their positions and agrees the proposed increases are appropriate, she does not believe the citizens will understand why they are realistic. She said no education about the issue can occur before the issue is placed on the ballot, therefore, people will only see a significant increase and not have an understanding of how those numbers were arrived at or why they are justified. She said, consequently, the press will take potshots at the Council and influence voters' opinions on the matter. She said she would like to find a number that the public will more likely support because she is concerned about who will be willing to take on the Mayor and Council positions in the future without an increase in the salary. Ms. Gomez said, unfortunately, they were forced to conduct their study based on historical data. She stated the Council is getting ready to embark on a future that will be even more demanding on their time, explaining the proposed salaries are intended not only to catch up with what they should have been paid, but to fairly compensate future Mayors and Council members for the work they will do. She acknowledged that they have to be able to sell the numbers to the public; stating, however, many of the citizens she has spoken with agree they are woefully under-compensated. She urged the Council not to underestimate the job they have done and will need to do in the future.

Vice Mayor Eggleston said he would like to hear from his constituency and other citizens as to their opinion of the proposed salary increases.

Mayor Scruggs asked when the issue has to be decided for the ballot. Mr. Tindall explained the ballot language has to go forward in May; however, budget meetings will begin shortly.

Mayor Scruggs apologized for the timing of the Commission's work, stating it was necessary to hold the meetings during the holiday season in order to settle the issue prior to the start of the budget process. She explained, while the proposed \$150,000 combined increase is not considerable when compared to the city's \$700 million dollar budget, staff becomes inundated with budget related work beginning in February.

Councilmember Lieberman said he gave great consideration to the recommended increases and spoke with everyone he knows to ascertain their position with regard to the increases. He noted his serving on the Council actually costs him \$8,000 to \$10,000 per year. He pointed out the Council members' current salary level qualifies them for food stamps and Section 8 housing. He spoke about the many and varied events he attends and is involved in throughout the year, stating he also receives phone

calls from constituents at all hours of the day and night. He pointed out the proposed salary levels will be considered drastically low by the time salaries are again reviewed in 10 years.

Councilmember Clark asked if it would be legal to solicit opinions from constituencies through each Council Member's email notification list if the Council members do not take a position. Mr. Tindall said there is no legal problem with soliciting input from citizens and agreed it would be prudent for the Council members to take no position on the matter.

Mayor Scruggs expressed her opinion the fact that the Charter requires they only attend two meetings a month is a problem. She said it would be nice if they could tie the proposed increases to a recognition that the job is a full-time position. She said their jobs are not part-time and they would be doing a disservice to the citizens if they worked as though they were. Mr. Tindall explained they cannot have more than one issue on the ballot for a single vote. He said, unfortunately, if they place both issues on the ballot, one could pass and the other fail. Mayor Scruggs stated they could not risk passing an amendment to the Charter recognizing the positions are full-time without assurances that the salary increase issue would also pass.

Councilmember Clark expressed her opinion the City's Charter needs to be amended to specifically define the duties and obligations of the Mayor and Council and the relationship between the two. She suggested they look at establishing a Citizens Charter Review Committee that will look at updating the Charter with regard to the Mayor and Council's roles and responsibilities.

Councilmember Martinez said at least two Council members want to obtain input from their constituents, asking that the same message be sent to all constituents.

Mayor Scruggs suggested they put the message in newspapers and on the city's website as well.

Councilmember Goulet said they cannot simply issue a statement without giving people access to the information the Commission used to make their recommendation. He stated people will either value what has been done over the past five years and understand what will be coming in the future, or not. He said he talked with several people and came up with numbers that were not as high as those proposed by the Commission. He stated, however, when looking at what the Mayor and Council members do, the salary has to be such that people are encouraged to take on the positions. He said the recommendations were made by people who represent the community and he is willing to take the risk of taking their recommendations to the community for them to decide.

Vice Mayor Eggleston asked if they could bring the issue back in 30 days, giving him time to discuss the issue with his neighbors and constituents. Mr. Fulcher said the Commission knew going in that their recommendation would fuel a discussion.

Councilmember Clark stated she would like to solicit input to see if there is support for the suggested numbers. She pointed out no mechanism is in place to change salary levels on a recurring or regular basis. She agreed with Councilmember Goulet that they should move forward with the Commission's recommendations.

Councilmember Martinez said he does not support the recommended increases.

Councilmember Lieberman stated he supports the Commission's recommendations and believes their independent analysis of the issue was fair.

Councilmember Martinez said members of the press who are present will likely report on their discussion and they will probably begin to hear from constituents within the next week. He suggested they wait until the next workshop to make their decision.

Councilmember Frate said he would like to hear from his constituents before making a decision.

Mayor Scruggs directed staff to place the issue on the agenda for the Council's February 21 workshop. She pointed out, unlike almost every other city in the valley, Glendale's Mayor and Council members do not get car allowances or other perks. She stated they are simply reimbursed for mileage according to the IRS standard.

Councilmember Martinez asked if the input received from citizens will be tracked. Mayor Scruggs asked if it is legal for the city to track responses to an issue that will be placed on the ballot. Mr. Tindall responded yes, since, at this time there are no assurances the issue will be placed on the ballot.

Councilmember Clark pointed out they are not selling the issue or taking a position.

ADJOURNMENT

The meeting was adjourned at 4:55 p.m.